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## ***International Steel Group Plans \$272 Million in Improvements; Kernan Pledges \$37 Million in State Assistance***

BURNS HARBOR—The Indiana Department of Commerce will offer \$37 million in assistance to the International Steel Group Inc. to support its multi-million dollar investment in its newly acquired facility in Burns Harbor, Lt. Governor Joe Kernan announced today.

International Steel Group Inc. (ISG), which acquired bankrupt Bethlehem Steel for \$1.5 billion in April of 2003, will invest approximately \$272 million over the next four years to upgrade machinery and equipment at the facility. The project preserves 3,430 high-wage jobs.

"We are extremely excited about ISG's decision to purchase Bethlehem Steel and are happy to offer assistance to support its investment," said Kernan, who leads the state's economic development efforts as director of the Department of Commerce. "Not only will this help Indiana maintain its status as one of the leading states in steel production, but thousands of Hoosier jobs will also be saved."

ISG is the nation's second largest integrated steel producer behind U.S. Steel, producing 16 million tons annually. The Burns Harbor division of ISG has the capacity to produce more than 4 million tons of steel annually, with annual sales totaling more than \$1 billion.

"The O'Bannon administration and Lt. Governor Joe Kernan have been very supportive of our efforts at both Burns Harbor and Indiana Harbor to keep major Indiana steel-making operations in production," said John Mang, III, vice president and general manager of ISG Burns Harbor Inc. "This announcement reflects their strong commitment to Hoosier steelworkers and to a strong American steel industry. All of us at ISG are very grateful."

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Organized in February 2002 by WL Ross and Co., ISG was created to acquire world-class steel-making assets and to rebuild those facilities to a level of international competitiveness. The company serves a host of markets throughout America, including automotive, service centers, office furniture and appliance markets, tin mill products for container markets, rail products for railroad markets and plate products for the construction, machinery and infrastructure markets.

"The town of Burns Harbor is pleased to work with the state of Indiana to assist ISG in achieving a long and successful future at its Burns Harbor facility," said Jim McGee, president of the Burns Harbor Town Council. "The jobs and tax base at ISG are major factors in a strong local and state economy."

To assist ISG in its efforts, the Indiana Department of Commerce worked with the town of Burns Harbor. Commerce awarded up to \$36 million in Economic Development for a Growing Economy (EDGE) tax credits, \$1 million from its Skills Enhancement Fund (SEF) to help the company train employees in job specific and transferable skills and \$50,000 from its Technology Enhancement Certification for Hoosiers (TECH) fund to help offset costs associated with training the company's information technology professionals. The State is also working with ISG to secure additional incentives, including assistance from the Indiana Department of Workforce Development.

In addition, Burns Harbor will adopt a resolution to establish an Economic Revitalization Area, designed to allow the company tax abatement on capital investments for 10 years beginning in 2004.

The Indiana Department of Commerce awards SEF grants to Indiana companies that undertake capital investment projects. The grants help defray the costs of training new and current employees in transferable and company-specific skills necessary to support these projects. The TECH fund assists in training companies' existing information technology professionals. EDGE tax credits are based on payroll and are awarded to companies that expand within Indiana, particularly when a project would otherwise locate in another state or country.

Companies interested in these or other Commerce programs should contact their regional Commerce office at 800.280.0584 or access its Web site at [www.indianacommerce.com](http://www.indianacommerce.com).

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